

United States Senate

WASHINGTON, DC 20510

February 5, 2020

The Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington DC 20230

Dear Secretary Ross:

I write today to urge you to promptly consider and issue decisions on the Section 232 exclusion petitions filed by Allegheny Technologies Incorporated (ATI). The pending petitions are posted under ID Nos. 30331, 40190 and 40217. This is ATI's second attempt at securing exclusions from paying the steel and aluminum taxes, which have cost the company over \$30 million since March 2018.

ATI is a global manufacturer of specialty materials, including commodity stainless steel. Headquartered in Pittsburgh, ATI is critical to the economy of Western Pennsylvania. From 2010 to 2015, ATI invested \$1.2 billion in Pennsylvania to reopen an idled cold rolling plant in Midland, which created 100 jobs for U.S. steelworkers, and create a hot rolling plant in Brackenridge. ATI melts the majority of its stainless slabs in its Brackenridge, PA melt shop, but does not have the capability to melt 60" wide stainless steel slabs. It has requested exclusions from Section 232 duties for imports of these 60" wide stainless steel slabs from Indonesia.

ATI originally filed two exclusions on March 26, 2018, which were accepted on April 25, 2018 (BIS 2018-0006-0326) and May 1, 2018 (BIS 2018-0006-0889). Furthermore, I highlighted ATI as a Pennsylvania company seeking tariff relief in letters sent to you in April and August 2018. Nevertheless, ATI's two petitions were denied one year later.

As a result of paying the punitive tariffs, ATI has been forced to operate certain facilities at unsustainable levels. I am concerned that if ATI's exclusion requests are denied or decisions are not made until early this spring, ATI may be forced to announce the closure of the Midland mill, which would directly eliminate 100 jobs and impact another 200 outside jobs that support the mill.

In addition, the tariff burden adversely affects ATI's \$1.2 billion Pennsylvania hot-rolling mill, which supports all of ATI's flat rolled products business and manufactures products for the Department of Defense (such as titanium for the Abrams tank armor and nickel alloys for military vehicle engines). The tariffs have significantly reduced ATI's purchases of 60" stainless steel slabs, which has lowered the overall utilization rate at this hot-rolling mill. The result has been higher costs of all products rolled at the mill, such as those needed by the United States military.

ATI's revised and recently-submitted petitions request an exclusion for half of the amount of stainless steel slab (150,000 tonnes) originally requested. While ATI cannot viably rely solely on cost-prohibitive slab from domestic competitors, the company has stated that if its exclusions are granted, they will acquire the remaining amount of stainless steel slab needed from domestic competitors. The exclusion requests were filed in October 2019 and have all now been posted by Commerce.

I thank you for your attention to this matter and again urge you to give ATI's exclusion petitions prompt, full, and fair consideration. ATI's steel production and manufacturing operations are critical contributors to Pennsylvania's economy. I stand ready to assist in any way that we can.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pat Toomey", with a stylized flourish above the name.

Pat Toomey
U.S. Senator